MFO Premium

Webinar Briefing
15 May 2019

Agenda

- **Site updates since January 2019 webinar**
- **Consolidation of original main site search tools, introducing QuickSearch**
- **Review and demo newest features**
- **Planned improvements**
- **Q & A … break often**
- Origin and motivation behind MFO Premium search tools
- Site page summaries, underlying database, methodology, and limitations

Highlight unique insights that MFO search tools provide individual investors and financial advisers … and the attendant benefits to themselves and their clients

Zoom Web Conferencing	Session Recorded … Will Post
Host Cam, Participants Voice Only	Questions via Chat
VoIP & Phone Enabled	Participants on Mute Initially

Updates

- **Consolidation of Main Site Search Tools**
  - QuickSearch is MultiSearch "Lite"
  - 1, 3, 5, 10 and 20-year Displays with basic risk/return metrics
  - ETFs and Mutual Funds, Oldest Share Class only
  - Public access on MFO Premium, along with Risk Profiles, Great Owls, Fund Alarm, Blog, and Dashboard *… updated monthly*

- **Larger Format MultiSearch Criteria Selection Page**
  - Floating submit panel below
  - On-key selected criteria display above

- **New Pre-Set Screen "The 11 Sector ETFs"**
  - Cool when used in conjunction with (faster) Correlate and Trend

- **Yearly & Period Returns vs Benchmarks via Analyze**

More Updates

- **Compare (Up To 10 Funds) In Vertical Format**
  - Introduced with MultiSearch hide empty column option
- **Export (Up To 25 Funds) To Watchlists**
  - Checks against accidental overwrite and Watchlist capacity (10)
- **Other**
  - Printer-Friendly PDF via Export
  - Cleaner format Risk Profiles with radio button option
  - Added Tweet option to Blog posts
  - Martin value criteria now under MFO Rating
  - Dynamic summary headers and pre-set options based on Display
  - Tools generally launch on new browser page
  - Analyze tools can now be run from any other Analyze tool
  - Pop-up filter box via View button for Display independent tools
  - Rows default to 100 (up from 10)
  - Changed **Commentary** to **Blog**
  - New metrics: Debt/Equity, Price/Cash, Dividend Payout and Frequency

Lipper Updating Categories

- **New**
    - Absolute Return Bond
    - Emerging Markets Mixed-Asset
    - Frontier Markets
    - Global High Yield
    - Mixed-Asset 2060 Target
    - Mixed-Asset Target 2060+
    - Real Return
    - Short High Yield
    - Diversified Equity
    - Absolute Return Bond

- **Obsolete**
    - Pacific Ex Japan
    - Growth
    - Core
    - Value

- **Renamed**
    - Mixed-Asset Target 2055+

Effective Month Ending May Data Drop

Planned Improvements

- **Holdings Data**
  - Top 10 … Sectors, Geolocation, Stocks/Bonds
  - Alpha, Tracking Error, Active Share
- **Portfolio Storage**
  - Assignable holdings allocation
  - Risk & performance metrics at portfolio level
- **Fund Flows**
- **More Analyze Metrics On MultiSearch Output Table**
- **Simply More Metrics**
  - Rolling Average Stats, 6-mo Trend, Downside/Upside Beta, Bear Ratings Revisit

- **Premium Profiles**
  - Enhanced Risk Profiles showing all evaluation periods
- **Allocation Benchmarks**
- **Hundred-Year Performance**
- **Mid-Month Update**
- **Exclude Categories Option**
- **MFO Risk & Type Based Ratings**
- **Uncorrelated Funds Finder**
- **Plotting**
  - Evaluating AnyChart, Flot, KoolChart

Highly Responsive To Subscriber Suggestions!

Reference Only

Background

- Internal research to identify that minimized downside performance across full market cycles
  - MAXDD, Ulcer Index, Martin Ratio, Recovery Time
  - Evaluation periods of interest, like from November 2007 to present … or from August 2000 to October 2007
- Not readily available from traditional services, like Morningstar
- So, we created the tools ourselves
- Continue to find other metrics/ratings not readily available
  - Three Alarm, Fund Family Scorecard, Correlation, Rolling Averages
  - Several beta testers help enhance … Thank you!
- Realized such tools may be of interest to other investors and financial advisers

Premium Only Pages

- **MultiSearch**
  - Main tool with 80 search criteria across 38 evaluation periods
  - ETFs, Mutual Funds, Insurance Funds, CEFs, Indices, Averages … all share classes
  - Pre-set Screens, Risk Profiles, Correlation Matrix, Rolling Averages, Trend, Ferguson Metrics, Compare, Calendar Year and Period Performance

- **Watchlists**
  - Up to 10 with up to 25 funds each

- **Fund Family Score Card**
  - Fund family ratings based on absolute return vs peers

- **Averages**
  - Summary of 168 category risk and return averages across 10 periods

- **Welcome**
  - Downloadable Excel spread sheet of latest ratings

Public Access Pages

- **QuickSearch**
  - MultiSearch "Lite" with 9 search criteria across 5 evaluation periods
  - Risk Profiles
  - ETFs & Mutual Funds … oldest share class only

- **Three Alarm & Great Owls**
  - Three Alarm (& Honor Roll) Ratings based on legacy Fund Alarm site method
  - Great Owl Ratings based on Martin ratio

- **Dashboard**
  - Quick-look performance of 120+ profiled funds profiled (by David mostly)

- **Definitions**

- **Blog**
  - Less formal than Commentary, but more formal than Discussion Board

- **Welcome**
  - Summary of latest updates and screenshots of site contents

Implementation

- Lipper Global Data Feed Service (LGDF) for U.S.
  - Pull full data monthly on first Saturday of month
  - Best when falls after 4 business days, else requires 2nd drop
  - 12,500 (33,440 all share class), including 550 CEFs, 2250 ETFs, 2150 Insurance Funds, across 168 investment categories, plus 1500 indexes
  - Database begins January 1960, surviving only
- All performance and risk metrics computed internally from monthly total return data
  - 6500 parameters for each fund … always growing!
- Site maintained using standard web languages
  - DataTables output and Select2 styling (Open source MIT license)
  - UserBase by Encodable provides login/account manager
  - DreamHost is web host
  - Optimized for Firefox, but OK on Chrome, Opera, Edge, Safari … iPad/iPhone

Qualifications

- Screeners are quantitative only
  - MultiSearch, ThreeAlarm, HonorRoll, Great Owls, Fund Family Ratings
  - Only "David's Take" from main site profiles are qualitative
- Metrics based strictly on historical fund performance
  - Backward looking, past performance
- No accounting for surviorship bias
- No accounting for style drift
- No accounting for management or strategy changes

The performance data quoted represents past performance and does not guarantee future results.